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CURRENT SERIAL RECORDS

Season's

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
November 1965

Volume 10

Number 4

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411

MARKET SUMMARY NOVEMBER 1965

The Order MINIMUM producer uniform price is \$4.85 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5 percent. The Chattanooga Area Milk Producers Association has announced a premium of 33 cents or a producer blend price of \$5.18 per cwt. for milk testing 3.5 percent butterfat.

During November, 88.3% of the total producer milk was priced in Class I at \$5.09 per cwt. with a butterfat differential of 8.2 cents and 11.7% in Class II at \$3.35 per cwt. with a butterfat differential of 7.3 cents. The daily average use of Gross Class I milk increased 1.1% compared with October 1965 and increased 12.5% compared with November 1964.

Daily average delivery of milk from producers was 637,400 pounds in November 1965, a decrease of 9,598 pounds per day compared with October 1965 and an increase of 60,119 pounds compared with November 1964. Percentage-wise, November deliveries decreased 1.5% compared with Oct. 1965 and increased 10.4% compared with Nov. 1964.

MILK SAMPLES TESTED - Producer Fresh Samples 5,158 - Handler Finished Products 213.

MILK BASE RULES

The following rules shall apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
 1. All base transfers shall be signed by the person transferring base and the person receiving base.
 2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Nov. '65 Over Nov. '64	Nov. 1965	Oct. 1965	Nov. 1964
Number of Plants (Pool and Non-Pool)		11	11	13
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 10.4	637,400	646,998	577,281
Other Source	- 16.2	18,728	16,583	22,356
Other Federal Orders	- 63.2	5,803	10,324	15,748
Total Milk Receipts	+ 7.6	661,931	673,905	615,385
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+ 4.5	422,269	407,221	404,232
Fluid Skim	+ 3.6	24,438	23,011	23,596
Buttermilk	+ 1.9	42,929	42,396	42,136
Flavored Milk and Drink	+ 12.4	13,821	13,956	12,295
Fluid Cream (Sweet and Sour)	+ 7.0	2,978	2,725	2,783
Other (Shrinkage, Inventory, etc.)		3,506	222	704
Transfers to Non-Pool Plants		57,881	72,082	18,960
Total Class I Milk	+ 12.5	567,822	561,613	504,706
Class II Uses:				
Ice Cream Mixes		34,637	35,376	32,176
Cottage Cheese		17,807	17,200	17,955
Powdered and Condensed Milk		23,151	32,376	13,578
Livestock Feed and Skim Dumped		4,807	5,392	5,390
Shrinkage Class II		10,953	7,027	7,924
Other (Butter, Inventory, etc.)		(8,162)	6,320	24,617
Transfers to Non-Pool Plants		10,916	8,601	9,039
Total Class II Milk	- 15.0	94,109	112,292	110,679
Class I Pounds in Marketing Area	+ 8.2	312,769	304,706	289,074
Class I Pounds Outside Marketing Area	+ 18.3	255,053	256,907	215,632
Gross Class I Butterfat Pounds	+ 15.6	20,911	20,533	18,091
Gross Class II Butterfat Pounds	- 13.2	6,079	6,701	7,005
Total Butterfat Pounds	+ 7.5	26,990	27,234	25,096
% Producer Milk of Gross Class I		112.3	115.2	114.4
% Producer Milk priced in Class I		88.3	85.6	86.4

DECEMBER 1965 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Dec. '65	Nov. '65	Dec. '64
Basic Formula	\$3.39	\$3.34	\$3.29
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.00	0.06
Class I Price, 3.5% Butterfat	\$5.14	\$5.09	\$5.10
Per \$1090.51(a)			

Supply-Demand Comparison: 1st and 2nd preceding months: October and November

Supply: Lbs. Producer Milk (Oct. 20,056,924 and Nov. 19,122,003) 39,178,927

Demand: Lbs. Net Class I Milk (Oct. 17,312,027 and Nov. 16,949,660) 34,261,687

Utilization Percentage: Producer milk divided by Class I 114

Standard Utilization Percentage: Range 114-118 114

Net Deviation Percentage: Utilization minus Standard Utilization -0-

Supply-Demand Adjustment: 2 cents x 0 percentage points \$0.00

The price is not adjusted by the supply-demand formula, since the supply in relation to the demand is within the standard utilization range of 114-118.

Reports from the following pool plants were included in the determination of the Order uniform producer price for November 1965:

Chattanooga Area Milk Prod. Assn.
Grant-Patten Milk Co., Inc.
Happy Valley Farms, Inc.
Home Stores, Inc.

Mayfield Dairy Farms, Inc.
Ray Moss Farms, Inc.
Paramount Dairies, Inc.
Sealtest Foods

COMPUTATION OF PRODUCER UNIFORM PRICE

NOVEMBER 1965	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		17,034,656	3.683		
Less Other Source		149,259	2.245		
Producer Milk Class I	88.3	16,885,397	3.695454	\$5.250272	\$ 886,529.27
Gross Class II		2,823,283	6.459		
Less Other Source		586,677	0.665		
Producer Milk Class II	11.7	2,236,606	7.979233	6.619840	148,059.74
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	19,122,003	4.196506		\$1,034,589.01
Add Fractional Adjustment					.03
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		64,263			2,569.72
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					8,159.85
TOTAL VALUE AT TEST		19,186,266	4.189716	\$5.448265	\$1,045,318.61
Less Test over 3.5% @ 8.0¢ per point		19,186,266	.689716	.551773	105,864.64
TOTAL UTILIZATION VALUE AT 3.5%		19,186,266	3.5	\$4.896492	\$ 939,453.97
Less Producer-Settlement Fund Reserve		19,186,266		.046492	8,920.08
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		19,186,266	3.5	\$4.85	\$ 930,533.89

NOVEMBER 1965 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.45	3.6	\$4.93	4.2	\$5.41	4.8	\$5.89	5.4	\$6.37
3.05	4.49	3.65	4.97	4.25	5.45	4.85	5.93	5.45	6.41
3.1	4.53	3.7	5.01	4.3	5.49	4.9	5.97	5.5	6.45
3.15	4.57	3.75	5.05	4.35	5.53	4.95	6.01	5.55	6.49
3.2	4.61	3.8	5.09	4.4	5.57	5.0	6.05	5.6	6.53
3.25	4.65	3.85	5.13	4.45	5.61	5.05	6.09	5.65	6.57
3.3	4.69	3.9	5.17	4.5	5.65	5.1	6.13	5.7	6.61
3.35	4.73	3.95	5.21	4.55	5.69	5.15	6.17	5.75	6.65
3.4	4.77	4.0	5.25	4.6	5.73	5.2	6.21	5.8	6.69
3.45	4.81	4.05	5.29	4.65	5.77	5.25	6.25	5.85	6.73
3.5	4.85	4.1	5.33	4.7	5.81	5.3	6.29	5.9	6.77
3.55	4.89	4.15	5.37	4.75	5.85	5.35	6.33	5.95	6.81

NOVEMBER 1965 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	77.8	623,992	\$0.82	\$511,673.44
Class II	22.2	178,464	0.73	130,278.72
Total	100.0	802,456		\$641,952.16

Total Butterfat value ÷ Total Producer fat pounds = \$0.799984

Producer Butterfat Differential per point variation above or
below 3.5 percent - - - - - \$0.080

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Nov. '64	\$4.83	-	-	7.8¢	\$5.10	7.9¢	\$3.30	7.2¢
Dec.	4.75	-	-	7.8	5.10	8.1	3.18	6.8
Jan. '65	4.66	-	-	7.4	5.06	7.7	3.12	6.7
Feb.	4.59	-	-	7.2	5.00	7.5	2.80	6.7
Mar.	4.54 ^{2/}	\$4.67	\$2.73	7.2	4.97	7.5	2.77	6.7
Apr.	4.41 ^{2/}	4.63	2.69	7.2	4.97	7.5	2.73	6.8
May	4.35 ^{2/}	4.57	2.64	7.4	4.98	7.7	2.68	6.8
June	4.34 ^{2/}	4.54	2.62	7.4	5.01	7.7	2.66	6.8
July	4.40 ^{2/}	4.62	2.62	7.4	4.95	7.7	2.66	6.8
Aug.	4.39	-	-	7.4	4.96	7.7	2.65	7.0
Sept.	4.58	-	-	7.8	4.82	7.9	3.30	7.2
Oct.	4.63	-	-	7.8	4.88	8.1	3.33	7.2
Nov.	4.85	-	-	8.0	5.09	8.2	3.35	7.3
Dec.	-	-	-	-	5.14	8.2	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA	
			4 Tenn.	Chi.92°	Chi.Area	Minn.-Wisc.	
	4 Tenn. Milk Mfg.	Butter Powder	Milk Mfg. \$-cwt-4%	Butter ¢ Lb.	Powder ¢ Lb.	Mfg.Grade Milk \$-cwt-3.5%	
Nov. '64	2.79	3.30	3.150	62.27	14.23	3.29	
Dec.	2.81	3.18	3.150	59.24	14.20	3.29	
Jan. '65	2.81	3.12	3.144	58.00	14.23	3.25	
Feb.	2.80	3.12	3.138	57.99	14.27	3.22	
Mar.	2.77	3.12	3.106	57.99	14.25	3.22	
Apr.	2.73	3.17	3.069	58.97	14.22	3.23	
May	2.68	3.17	3.025	58.97	14.28	3.22	
June	2.66	3.17	3.000	58.97	14.21	3.20	
July	2.66	3.17	3.000	59.00	14.24	3.21	
Aug.	2.65	3.25	3.000	61.03	14.31	3.25	
Sept.	2.72	3.30	3.081	62.22	14.21	3.29	
Oct.	2.75	3.33	3.106	62.89	14.31	3.34	
Nov.	2.83	3.35	3.194	63.27	14.42	3.39	

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA 3/				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
Nov. '64	13	615,385	504,706	498,734	577,281	-	680	849	-	-	4.24
Dec.	12	609,740	495,937	489,893	577,526	-	681	848	-	-	4.29
Jan. '65	12	635,165	494,256	488,626	596,761	-	679	879	-	-	4.21
Feb.	12	633,273	499,105	486,765	591,241	-	676	875	-	-	4.22
Mar.	12	626,437	494,283	483,039	590,445	552,135	673	877	820	57	4.17
Apr.	12	697,927	497,275	486,698	642,007	569,531	667	963	854	109	4.02
May	12	692,923	474,496	464,947	634,015	559,591	668	949	838	111	3.92
June	12	666,977	448,404	435,985	604,907	541,251	665	910	814	96	3.91
July	11	645,957	471,881	459,483	595,861	531,137	663	899	801	98	3.89
Aug.	11	656,625	473,692	462,349	611,908	-	661	926	-	-	3.87
Sept.	11	693,458	572,210	560,088	655,531	-	661	992	-	-	3.93
Oct.	11	673,905	561,613	553,950	646,998	-	660	980	-	-	4.14
Nov.	11	661,931	567,822	562,847	637,400	-	667	956	-	-	4.20

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I